

August 24, 2004

**TO: The EQB General List, Local Officials, Property Owners and Persons interested in the Xcel Energy Project which includes a single circuit 345 kV Transmission Line and a double circuit 115 kV Transmission Line from the proposed Mankato Energy Center to the Wilmarth Substation and an expansion of the Wilmarth Substation near Mankato, Minnesota
MEQB DOCKET NO. 04-86-TR-XCEL**

RE: Notice of Xcel Energy Filing of Route Permit Application with EQB – Alternative Process

Northern States Power Company, d/b/a Xcel Energy, proposes to construct three transmission lines, each about 1000 feet in length between the existing Wilmarth substation and the proposed Mankato Energy Center. A single 345 kV transmission line and two 115 kV transmission lines will be constructed for the Project. To accommodate the addition of these transmission lines, the Wilmarth substation will be expanded to the south and west to provide additional room for the 115 kV equipment and additional 345 kV equipment will be added within the fenced area of the existing substation. The proposed lines are needed to route the energy generated from the new Mankato Energy Center facility to the Wilmarth Substation, supplying energy to Xcel Energy's system. A map showing the area of Xcel Energy's proposed route is attached as Exhibit A.

Under the Power Plant Siting Act (Minnesota Statutes, §116C.51-.69) a route permit from the Minnesota Environmental Quality Board (EQB) is required to build a high voltage transmission line (HVTL). On August 10, 2004 Xcel Energy submitted an application (Application) to the EQB for a routing permit pursuant to the alternative permitting process contained in Minn. Rules parts 4400.2000, Subpart 1(C) and 4400.200, Subpart 1(D), and Minn. Stat. §116C.575.

The EQB has adopted rules for the administration of transmission line route permits (Minnesota Rules Chapter 4400). The EQB rules establish the requirements for submitting and processing a route permit application. The applicant must identify in the application their preferred route for the transmission line.

The EQB will prepare an Environmental Assessment for the Project. As part of this process, the EQB will seek comments from the public and will hold a public meeting within 60 days of the EQB's acceptance of the Application Xcel Energy submitted on August 10, 2004. The meeting will also serve as the scoping meeting for the Project Environmental Assessment at which time additional route alternatives may be proposed. The date of the first EQB meeting and location is as follows: September 28, 2004 at both 3 PM and 7 PM in the Minnesota River Room, 1st Floor of the Intergovernmental Center, 10 Civic Center Plaza, Mankato, Minnesota.

The EQB will also hold a public hearing on the Application once the Environmental Assessment has been completed. The EQB is required to grant or deny the requested permit within seven months from the date the EQB accepts the Application.

The proposed route is on land owned wholly by Xcel Energy or the Mankato Energy Center, LLC. Xcel Energy does not anticipate the need to exercise the power of eminent domain to acquire property for the Project in accordance with its authority under state law Minn. Stat. § 116C.63.

A certificate of need is required for this Project. Mankato Energy has applied to the Public Utilities Commission (PUC) for a certificate of need (CON) for the construction of the Mankato Energy Center (PUC Docket No. IP6345/CN-03-1884). The application seeks approval of these three transmission lines directly associated with the plant, which are necessary to interconnect the plant to the transmission system.

The Chair has designated EQB staff member Larry Hartman as the public advisor in this matter. Inquiries about this project should be directed to the EQB project manager, George Johnson, (Tel: 651-296-2888 or george.johnson@state.mn.us) Environmental Quality Board, 300 Centennial Bldg., 658 Cedar Street, St. Paul, MN 55155. Other contact information: Toll-Free Tel: 1-800-657-3794, Fax: 651-296-3698 or TTY: Minnesota Relay Service, 800-627-3529, and ask for the EQB. Project related materials, including the permit application, will be available at: www.eqb.state.mn.us. Any person may request to have his or her name or an organization's name placed on the project contact list by registering online at the EQB web site or by contacting Andrea at the EQB at 651-296-2571. Copies of the Permit Application will also be available at the Blue Earth County Library after July 31, 2004.

Project information may also be obtained by emailing pamela.jo.rasmussen@xcelenergy.com or writing to Pam Rasmussen at 1414 W. Hamilton Avenue, P.O. Box 8, Eau Claire, WI 54702-0008 or by calling Ms. Rasmussen at 1-800-238-7968 or accessing the Xcel Energy web site at www.xcelenergy.com, Click on About Energy, then Transmission Projects.